

Message Text

UNCLASSIFIED

PAGE 01 STATE 088635 POSS DUPE
ORIGIN XMB-04

INFO OCT-01 EB-08 ISO-00 EUR-12 AID-05 CIAE-00 COME-00
FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00 OPIC-06
SP-02 LAB-04 SIL-01 OMB-01 /067 R

EXIMBANK

DRAFTED BY XMB: L. M. LAROCHE:EMC
APPROVED BY EB/IFD/ODF:JAB INDER
XMB: CLAYTON NORRIS
EUR/SE:RDELABARRE

-----211250Z 038608 /44

R 201559Z APR 77
FM SECSTATE WASHDC
TO AMEMBASSY ANKARA
INFO AMCONSUL ISTANBUL

UNCLAS STATE 088635

E.O. 11652: N/A

TAGS: EFIN, TU

SUBJECT: EXIM PC FOR CEMENT EQUIPMENT

REFERENCE: STATE 54379

1. EXIMBANK, ON POINT OF GIVING PRELIMINARY APPROVAL TO
PC TO FULLER CO. FOR DOLLARS 8.5 MILLION OF GRINDING MILLS
FOR TURKIYE CIMENTO SANAYII (TCS), FOR WHICH LETTER OF IN-
TEREST HAD BEEN ISSUED 1-27-77, WAS ADVISED BY FULLER
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STATE 088635 POSS DUPE

THAT SALE HAD BEEN LOST TO SMIDTH OF DENMARK.

2. TELEX FROM FULLER AGENT DOGAN UYGUR OF TEMPA, OBSCURE
ON REASONS. IN PART, TELEX SAID QUOTE: THE PERCENTAGE
OF INTEREST WAS HIGH. IT WAS NOT GIVEN AS ADDITIONAL
CREDIT BUT IT WAS TAKEN INTO CONSIDERATION TO MAKE USE FROM
ANOTHER CREDIT THAT WAS ONCE OPENED IN TURKEY BY EXIMBANK.
T. CIMENTO WAS LOOKING FOR SEPARATE CREDIT FOR THE PROJECT.
UNQUOTE.

3. EMBASSY REQUESTED TO INQUIRE OF TCS PRECISE REASONS FOR AWARD TO SMIDTH, EXPLANATION OF REPORTED REASONS RELATING TO CREDIT, AND WEIGHT GIVEN TO CREDIT ASPECT. IF TCS EXPLANATION UNCLEAR, YOU MIGHT ALSO INQUIRE OF AYGUN AT FINANCE MINISTRY, INDICATING EXIM ISSUANCE OF LETTER OF

INTEREST AND LIKELY FAVORABLE ACTION ON PC, CONSISTENT WITH EXIM SELECTIVE POLICY.

4. FULLER HAD OUTLINED FINANCING TERMS IN PROPOSAL ON ASSUMPTION OF EXIM APPROVAL. FINANCING WHICH WAS PROPOSED FOR EXIM CONSIDERATION WAS ON PATTERN OF 15 PERCENT CASH, 42.5 PERCENT EXIM CREDIT AT 8-3/8 PERCENT INTEREST, 42.5 PERCENT PRIVATE FINANCING WITHOUT EXIM GUARANTEE, WITH REPAYMENT IN 14 SEMIANNUALS BEGINNING 6 MONTHS AFTER DELIVERY, BUT NOT LATER THAN 31 MARCH 79, EXIM TO BE REPAID IN LATTER MATURITIES.

5. TRANSACTION WAS CONSIDERED TO FIT CRITERIA OF SELECTIVITY, ON FOLLOWING GROUNDS:

(A) PERIODIC TIGHTNESS OF CEMENT SUPPLY HAS NECES-SITATED OCCASIONAL CURTAILMENT OF EXPORTS. WHILE SUBJECT PLANTS ORIENTED TOWARDS DOMESTIC MARKET, THEY WOULD HELP FREE UP CAPACITY OF EXPORT-ORIENTED PLANTS TO MAINTAIN EXTERNAL UNCLASSIFIED

UNCLASSIFIED

PAGE 03 STATE 088635 POSS DUPE

SALES, IN WHICH THEY HAVE ENJOYED SOME SUCCESS. LESS THAN ONE-FOURTH COST OF NEW PLANTS IS IN FOREIGN EXCHANGE. THUS SOME FAVORABLE EXCHANGE IMPACT.

(B) TCS IS FINANCIALLY VIABLE.

(C) PLANTS WOULD APPEAR TO BE SELF-LIQUIDATING IN LOCAL CURRENCY TERMS.

(D) CEMENT EXPANSION FITS GOT DEVELOPMENT PRIORITIES.

(E) GOT GUARANTEE AVAILABLE.

(F) PRIVATE FINANCING AVAILABLE FOR HALF OF FINANCING.

(G) BENEFIT TO U.S. EMPLOYMENT.

(H) STRONG FOREIGN COMPETITION.

(I) LIKELIHOOD OF FOLLOW-ON BUSINESS.

(J) RAPID IMPLEMENTATION.

(K) AMOUNT WELL WITHIN EXIM GUIDELINES.

6. HAD EMBASSY PREPARED REPLY TO REFTTEL?

VANCE

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: EQUIPMENT, BANK LOANS, BUSINESS FIRMS, CEMENT
Control Number: n/a
Copy: SINGLE
Sent Date: 20-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE088635
Document Source: CORE
Document Unique ID: 00
Drafter: L. M. LAROCHE:EMC
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770138-0997
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770437/aaaabfvw.tel
Line Count: 124
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: c80cb1a1-c288-dd11-92da-001cc4696bcc
Office: ORIGIN XMB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 77 STATE 54379
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 10-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2746740
Secure: OPEN
Status: NATIVE
Subject: EXIM PC FOR CEMENT EQUIPMENT
TAGS: EFIN, TU, XMB
To: ANKARA
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/c80cb1a1-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009